GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA

UNSTARRED QUESTION NO:2730
ANSWERED ON:06.12.2001
SERVICE TAX ON BROADCAST SERVICES
SUBODH MOHITE

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether the Government have decided to impose service tax on broadcast services in the country;

(b) if so, the details thereof;

(c) whether the Government have received representation from FICCI against imposition of such tax;

(d) if so, the details thereof; and

(e) the reaction of the Government thereto?

Answer

THE MINISTER OF INFORMATION AND BROADCASTING (SMT. SUSHMA SWARAJ)

(a) and (b): Yes, Sir. Through an amendment in the Service Tax Rules, 1994, the Government of India have included the broadcasting services for levy of 5% service tax, with effect from 16th July, 2001.

(c) to (e): Yes, Sir. FICCI, has been recently, in a pre budgetmemorandum, opposed the levy on the grounds that it affect the growth of the nascent broadcasting industry. FICCI has suggested that in case it is feltthat this tax should continue, then it should be only on the consideration relevant to the services rendered in relation to broadcasting and not on the total invoice amount raised by Broadcasters. It is too early to react to FICCI`s proposal.